

KENTON HOUSING, INC.
Financial Statements

December 31, 2002 and 2001

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December 31, 2002 and 2001

TABLE OF CONTENTS

	<u>PAGE</u>
REPORT OF INDEPENDENT AUDITOR.....	1
FINANCIAL STATEMENTS:	
STATEMENTS OF FINANCIAL POSITION	2 - 3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF CASH FLOWS	5
STATEMENTS OF FUNCTIONAL EXPENSES	6
SUPPLEMENTARY FINANCIAL INFORMATION:	
COMPARATIVE STATEMENTS OF INDIRECT EXPENSES BEFORE DEPRECIATION	7
COMPARATIVE STATEMENTS OF DEPRECIATION	8
NOTES TO THE FINANCIAL STATEMENTS	9 - 16

To the Board of Directors of
Kenton Housing, Inc.

REPORT OF INDEPENDENT AUDITOR

I have audited the accompanying statement of financial position of Kenton Housing, Inc. (a nonprofit organization) as of December 31, 2002 and 2001 and the related statements of activities, cash flows, functional expenses and supplementary financial information for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion the financial statements referred to above present fairly, in all material respects, the financial position of Kenton Housing, Inc. as of December 31, 2002 and 2001 and the changes in its net assets, cash flows, functional expenses and supplementary financial information for the years then ended in conformity with accounting principles generally accepted in the United States of America.



DAVID A. TERRY, P.S.C.

January 17, 2003

- FINANCIAL STATEMENTS -

**To the Board of Directors of
Kenton Housing, Inc.**

REPORT OF INDEPENDENT AUDITOR

I have audited the accompanying statement of financial position of Kenton Housing, Inc. (a nonprofit organization) as of December 31, 2002 and 2001 and the related statements of activities, cash flows, functional expenses and supplementary financial information for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audits.

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DAVID A. TERRY, P.S.C.

January 17, 2003

KENTON HOUSING, INC.
STATEMENTS OF FINANCIAL POSITION
As Of December 31,

	<u>2002</u>	<u>2001</u>
Assets		
<u>Current Assets</u>		
Cash and cash equivalents	\$ (11,631)	\$ 103,390
Investments	2,121,734	2,727,966
Accounts receivable (net)	997,057	1,043,815
Inventory	33,497	29,368
Prepaid items	<u>121,717</u>	<u>107,936</u>
 Total Current Assets	 <u>3,262,374</u>	 <u>4,012,475</u>
 <u>Fixed Assets</u>		
Departmental equipment	418,266	489,809
Furniture and fixtures	147,926	172,253
Leasehold improvements	299,034	264,341
Motor vehicles	<u>77,041</u>	<u>84,463</u>
Sub - Total	942,267	1,010,866
Allowance for depreciation	<u>600,185</u>	<u>682,133</u>
 Net Fixed Assets	 <u>342,082</u>	 <u>328,733</u>
 <u>Assets Whose use is Restricted</u>		
Cash - self-insurance fund	1,366	93,075
Cash - personal fund account	45,792	42,642
Investments - board restricted for plant	<u>680,210</u>	<u>730,090</u>
 Total Assets Whose use is Restricted	 <u>727,368</u>	 <u>865,807</u>
 Total Assets	 <u><u>\$ 4,331,824</u></u>	 <u><u>\$ 5,207,015</u></u>

The accompanying notes are an integral part of these financial statements.

KENTON HOUSING, INC.
STATEMENTS OF FINANCIAL POSITION
As Of December 31,

	<u>2002</u>	<u>2001</u>
Liabilities and Net Assets		
Liabilities		
<u>Current Liabilities</u>		
Accounts payable	\$ 201,679	\$ 227,418
Miscellaneous accruals/payables	126,760	52,662
Accrued payroll and related	201,805	270,559
Provision for health insurance	51,368	57,207
Personal fund account	<u>0</u>	<u>42,642</u>
Total Current Liabilities	581,612	650,488
Non-current Liabilities	<u>0</u>	<u>0</u>
Total Liabilities	<u>581,612</u>	<u>650,488</u>
Net Assets		
Unrestricted	3,750,212	4,556,527
Temporarily restricted	0	0
Permanently restricted	<u>0</u>	<u>0</u>
Total Net Assets	<u>3,750,212</u>	<u>4,556,527</u>
Total Liabilities and Net Assets	<u>\$ 4,331,824</u>	<u>\$ 5,207,015</u>

The accompanying notes are an integral part of these financial statements.

KENTON HOUSING, INC.
STATEMENTS OF ACTIVITIES
For The Years Ended December 31,

	<u>2002</u>	<u>2001</u>
Changes in Unrestricted Net Assets		
<u>Operating Support</u>	\$ 9,808,301	\$ 8,921,880
<u>Direct Expenses</u>		
Nursing	5,321,386	5,207,172
Social services	299,447	260,093
Dietary	1,580,987	1,492,925
Laundry	246,586	226,749
Housekeeping	828,030	859,841
Total Direct Expenses	<u>8,276,436</u>	<u>8,046,781</u>
Excess Operating Support over Direct Expenses	1,531,865	875,099
Indirect Expenses (see Supplementary Financial Information)	<u>1,980,677</u>	<u>1,244,933</u>
Excess (Deficiency) of Operating Support over Expenses before Depreciation and Amortization	(448,812)	(369,834)
Depreciation and Amortization (page 9)	<u>80,819</u>	<u>60,040</u>
Excess (Deficiency) of Operating Support over Expenses	<u>(529,631)</u>	<u>(429,874)</u>
<u>Non-Operating Support and Expenses</u>		
Unrestricted donations	0	445
Investment income	122,427	159,929
Net gains / (losses) on investments reported at fair value	(383,719)	(264,670)
Investment fees	<u>(15,392)</u>	<u>(16,913)</u>
Total Non-Operating Support and Expenses	<u>(276,684)</u>	<u>(121,209)</u>
Increase (Decrease) in Unrestricted Net Assets	(806,315)	(551,083)
Changes in Temporarily Restricted Net Assets	0	0
Changes in Permanently Restricted Net Assets	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets	(806,315)	(551,083)
Net Assets at Beginning of Year	<u>4,556,527</u>	<u>5,107,610</u>
Net Assets at End of Year	<u><u>\$ 3,750,212</u></u>	<u><u>\$ 4,556,527</u></u>

The accompanying notes are an integral part of these financial statements.

KENTON HOUSING, INC.
STATEMENTS OF CASH FLOWS
For The Years Ended December 31,

Cash Flows From Operating Activities	<u>2002</u>	<u>2001</u>
Increase in Net Assets	\$ (529,631)	\$ (429,874)
Adjustments to Reconcile Change in Net Assets to Net		
Cash Provided by Operating Activities:		
Amortization and depreciation	80,819	60,040
(Increase) Decrease in Operating Assets		
Accounts receivable	46,758	(340,603)
Inventory	(4,129)	(7,874)
Prepaid items	(13,781)	(40,480)
Cash restricted for self-insurance	91,709	178,775
Investments restricted for plant	49,880	27,428
Increase (Decrease) in Operating Liabilities		
Accounts payable	(25,739)	(30,697)
Miscellaneous accruals/payables	74,098	12,595
Accrued payroll and related	(68,754)	12,725
Provision for health insurance	(5,839)	(196,305)
Personal fund account	(42,642)	(8,854)
Net Cash provided by Operating Activities	<u>(347,251)</u>	<u>(763,124)</u>
Cash Flows from Investing Activities		
Payments for fixed assets	(97,318)	(131,554)
Short term investments, net	<u>(276,684)</u>	<u>(121,209)</u>
Net Cash Provided by Investing Activities	<u>(374,002)</u>	<u>(252,763)</u>
Cash Flows from Financing Activities	<u>0</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(721,253)	(1,015,887)
Beginning Cash and Cash Equivalents	<u>2,831,356</u>	<u>3,847,243</u>
Ending Cash and Cash Equivalents	\$ <u><u>2,110,103</u></u>	\$ <u><u>2,831,356</u></u>
Supplemental Disclosure of Cash Information		
Cash paid during the year for:		
Interest expense	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>
Income tax expense	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>
Non-cash financing activities	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

The accompanying notes are an integral part of these financial statements.

KENTON HOUSING, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For The Years Ended December 31,

	2002			
	Direct Care	Management and General	Total	2001
Salaries	\$ 5,046,471	\$ 461,646	\$ 5,508,117	\$ 5,280,077
Payroll taxes and employee benefits	1,165,314	106,602	1,271,916	1,133,518
Total Salaries and Related	6,211,785	568,248	6,780,033	6,413,595
Supplies	611,076	58,777	669,853	563,206
Telephone and postage	0	18,022	18,022	25,153
Travel and education	481	18,538	19,019	30,579
Licenses and dues	111	13,477	13,588	22,656
Professional and contract services	866,522	175,246	1,041,768	1,111,038
Provider tax	0	588,730	588,730	155,011
Insurance	0	268,608	268,608	38,826
Plant utilities	0	244,059	244,059	249,274
Small equipment and repairs	18,534	12,339	30,873	70,838
Food	545,432	0	545,432	532,428
Miscellaneous	22,495	14,633	37,128	79,110
Total Expenses before Depreciation	8,276,436	1,980,677	10,257,113	9,291,714
Depreciation	0	80,819	80,819	60,040
Total Expenses	\$ 8,276,436	\$ 2,061,496	\$ 10,337,932	\$ 9,351,754

The accompanying notes are an integral part of these financial statements.

- SUPPLEMENTARY FINANCIAL INFORMATION -

KENTON HOUSING, INC.
SUPPLEMENTARY FINANCIAL INFORMATION
COMPARATIVE STATEMENTS OF INDIRECT
EXPENSES BEFORE DEPRECIATION

For The Years Ended December 31,

Administrative and General	<u>2002</u>	<u>2001</u>
Salaries	\$ 314,858	\$ 332,838
Payroll taxes and employee benefits	72,706	71,453
Supplies	29,746	29,212
Telephone	18,022	25,153
Travel	12,634	10,868
Licenses and dues	13,477	22,217
Professional services	150,516	39,164
Provider tax	588,730	155,011
Insurance	268,608	38,826
Miscellaneous	<u>20,052</u>	<u>37,785</u>
Total Administrative and General	<u>1,489,349</u>	<u>762,527</u>
 Plant Operation and Maintenance		
Salaries	146,788	129,197
Payroll taxes and employee benefits	33,896	27,736
Fuel	44,978	89,897
Electricity	132,976	106,938
Water and sewage	66,105	52,439
Supplies- maintenance and repairs	<u>66,585</u>	<u>76,199</u>
Total Plant Operation and Maintenance	<u>491,328</u>	<u>482,406</u>
 Total Indirect Expenses before Depreciation	 <u>\$ 1,980,677</u>	 <u>\$ 1,244,933</u>

The accompanying notes are an integral part of these financial statements.

KENTON HOUSING, INC.
SUPPLEMENTARY FINANCIAL INFORMATION
COMPARATIVE STATEMENTS OF DEPRECIATION
For The Years Ended December 31,

	<u>2002</u>	<u>2001</u>
Departmental Equipment	\$ 51,350	\$ 30,571
Vehicles	1,482	1,482
Furniture and Fixtures	9,114	9,114
Leasehold Improvements	<u>18,873</u>	<u>18,873</u>
Total Depreciation	\$ <u>80,819</u>	\$ <u>60,040</u>

The accompanying notes are an integral part of these financial statements.

- NOTES TO THE FINANCIAL STATEMENTS -

KENTON HOUSING, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002 and 2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Kenton Housing, Inc. (aka Rosedale Manor) (the Facility) was incorporated in 1962 as a not-for-profit corporation. The Facility operates a 240 bed nursing home in Covington, Kentucky.

The summary of significant accounting policies of the Facility is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Facility's management, who is responsible for their integrity and objectivity. These financial statements conform to generally accepted accounting principles.

Support and Expenses

The Facility derives a significant portion of its support from a cost reimbursement system funded by the Kentucky Medical Assistance Program. This program reimburses the Facility on a prospective per diem rate established quarterly by the Commonwealth of Kentucky, Department for Human Resources, for residents qualifying for nursing facility care. The support received from the Kentucky Medical Assistance Program is reported as unrestricted support.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Facility reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Facility reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Facility reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

KENTON HOUSING, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002 and 2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued -

Charity Care

The Facility has a policy of providing charity care to existing residents to the extent their personal funds and third party reimbursements are insufficient to cover the standard room rates. Such residents are identified based on information obtained from the resident and subsequent analysis. Resident charges that will not be covered due to charity care are adjusted from residents-room and board revenues through the allowance account, subsequently estimated charges for charity care are not included in residents-room and board support.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts, as well as certificates of deposit with maturities of less than 90 days when applicable. At year-end and throughout the year, the Facility's cash balances were deposited in several banks. Management believes the facility is not exposed to any significant credit risk on cash and cash equivalents. Cash balances as of December 31, 2002 are overdrawn. While the general presentation for overdrawn cash is a liability, the Facility has opted to present cash as an asset, in brackets (), for 2002.

For purposes of the statements of cash flows, the Facility considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

In prior years, the Facility recorded investments in short term securities at cost. Effective in 1995, the Facility adopted SFAS NO. 124, Accounting for Certain Investments Held by Not-For-Profit Organizations. Under SFAS NO. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Leasehold Improvements and Equipment

Purchased items are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the facility reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Facility reclassifies temporarily restricted net assets to unrestricted net assets at that time. Substantially all depreciation is computed on the straight-line method based on estimated useful lives of 3 to 20 years on leasehold improvements; departmental equipment, transportation equipment and office furniture and fixtures.

KENTON HOUSING, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002 and 2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued -

Inventories

Inventories are valued at the lower of cost or market, determined by the first-in, first-out method. Inventories consist of kitchen and canteen (gift / retail shop) items.

Land and Building

The land and building are the property of the Kenton County Public Properties Corporation. They are made available to the Facility so that long term care is available in Kenton County.

Tax Status

The Facility is a Not-For-Profit organization as described in section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501 (a) of the Internal Revenue Code.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

Under Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations", the Facility is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Facility is required to present a statement of cash flows.

Contributions

The Organization has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made". Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Contributed Services

During the years ended December 31, 2002 and 2001, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the residents' facilities, but these services do not meet the criteria for recognition as contributed services.

<p style="text-align: center;">KENTON HOUSING, INC. NOTES TO THE FINANCIAL STATEMENTS <i>December 31, 2002 and 2001</i></p>

NOTE 2: ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	<u>2002</u>	<u>2001</u>
Kentucky Medical Assistance Program	\$ 668,692	\$ 722,254
Private Pay	152,902	151,735
Medicare	116,237	110,762
Other	<u>64,820</u>	<u>66,184</u>
Sub Total	1,002,651	1,050,935
Allowance for Doubtful Accounts	<u>(5,593)</u>	<u>(7,120)</u>
Total	\$ <u><u>997,058</u></u>	\$ <u><u>1,043,815</u></u>

NOTE 3: PROFIT SHARING PLAN

The Facility provides for an employer sponsored profit sharing plan. The plan covers substantially all full-time employees with more than one year of continuous employment with the Facility. The Facility funded contribution can range from 15% to 0% for eligible employees. Contributions made for the year ended December 31, are as follows:

<u>2002</u>	<u>2001</u>
\$ <u><u>50,004</u></u>	\$ <u><u>50,000</u></u>

NOTE 4: INVESTMENTS

The Facility maintains an investment policy allowing funds to be invested in Government Securities, High Grade Corporate Securities and other Securities as deemed appropriate. The investments are maintained in separate portfolios for Investments - general and Investments - board restricted for plant.

KENTON HOUSING, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002 and 2001

NOTE 4: INVESTMENTS - continued -

The Facility has a board adopted policy of self-imposing a restriction on certain investments. Annually an amount of funds are transferred from investments-general, and cash and cash equivalents, to investments-board restricted for plant. The amount transferred is equal to the annual depreciation and amortization charge. The related earnings and expenses of the investments-board restricted for plant account remain in and are charged to that account. The funds in turn are used for and are available to provide for major alterations, repairs and renovations of the Facility's building and equipment.

The Facility had balances in the accounts on December 31, as follows:

	<u>2002</u>	<u>2001</u>
Investments		
Fair Market Value	\$ <u>2,121,734</u>	\$ <u>2,727,966</u>
Cost Basis	\$ <u>2,121,017</u>	\$ <u>2,481,984</u>
Investments - board restricted for plant		
Fair Market Value	\$ <u>680,210</u>	\$ <u>730,090</u>
Cost Basis	\$ <u>699,844</u>	\$ <u>696,733</u>

As of December 31, the composition of all investments is as follows:

Security	<u>2002</u>	<u>2001</u>
Cash (market yield - 3.2%)	\$ 29,897	\$ 105,079
U.S. Government Obligations (market yield 4.75% - 7.75%)	1,265,810	1,482,596
Common Stock	<u>1,506,237</u>	<u>1,870,381</u>
Fair Market Value	\$ <u>2,801,944</u>	<u>3,458,056</u>
Original Cost	\$ <u>2,820,861</u>	\$ <u>3,178,717</u>

KENTON HOUSING, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002 and 2001

NOTE 5: PERSONAL FUND ACCOUNT

Resident funds are held by the Facility for the daily use of the residents. The funds are held in a separate, interest bearing, FDIC insured account and resident balances are reconciled on a daily basis by bonded employees of the Facility. The funds are reported as cash with a corresponding offsetting liability. As of December 31, the balances were as follows:

	<u>2002</u>	<u>2001</u>
	\$ <u>45,792</u>	\$ <u>42,642</u>

NOTE 6: DISCOUNTS EARNED

Discounts are netted when paid and, therefore, are not disclosed as support.

NOTE 7: HEALTH CARE PROVIDER TAX

The Facility is subject to a provider-based health care tax. For the years ended December 31, 2002 and 2001 the Facility paid \$ 588,730 and \$155,011, respectively.

NOTE 8: CONTINGENT LIABILITIES
Third Party Rate Adjustments and Support

The Facility derives a significant portion of its revenue from a cost reimbursement system funded by the Kentucky Medical Assistance Program. This program reimburses the Facility on a prospective per diem rate established quarterly by the Commonwealth of Kentucky, Department for Human Resources, for residents qualifying for nursing facility care. The Facility presently has 180 of their 240 beds covered by this program. Periodic audits are conducted by the funding source to ensure that proper reimbursement has been provided. As a result of these audits, it is possible that at any given time the Facility could have been over or under reimbursed, consequently a previously unrecorded liability or asset may be incurred as a result of the audit (s). Management believes that the proper amount of reimbursement has been received and that any adjustment, as a result of an audit, would not be material to the financial position of the Facility. Therefore no provision has been made on the financial statements.

<p style="text-align: center;">KENTON HOUSING, INC. NOTES TO THE FINANCIAL STATEMENTS <i>December 31, 2002 and 2001</i></p>

NOTE 8: CONTINGENT LIABILITIES - continued -

Medical Malpractice Coverage

The Facility purchases medical malpractice insurance under an occurrence policy on a fixed premium basis. The current policy has no deductible. The Facility bears risk for the portion of any individual claim exceeding \$1,000,000. The policy provides for aggregate claims up to \$10,000,000 annually. Generally accepted accounting principles require a health care provider to accrue the expense of its share of malpractice claim costs for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate cost of the incidents. Based upon the Facilities claim experience, administration believes the recording of an accrual is unnecessary.

NOTE 9: CONCENTRATIONS OF CREDIT RISK

The Facility derives a significant portion of its support from a cost reimbursement system funded by the Kentucky Medical Assistance Program.

NOTE 10: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the direct care and the management and general activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the direct care and management and general activities.

NOTE 11: STOP - LOSS INSURANCE

The Facility is self-funded for employee medical insurance. A stop-loss policy is maintained that limits the amount of employee medical claims the Facility is responsible for to \$ 40,000 per employee annually. As of the end of the year the following amounts have been recognized:

	<u>2002</u>	<u>2001</u>
Cash Restricted	\$ <u>1,366</u>	\$ <u>93,075</u>
Liability Recorded	\$ <u>51,368</u>	\$ <u>57,207</u>
Expense Recorded	\$ <u>614,712</u>	\$ <u>490,425</u>

KENTON HOUSING, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002 and 2001

NOTE 12: CASH NEEDS

The policy objective is to maintain reserves in the cash (interest bearing) and investment accounts, a cash balance equal to 90 days of projected operating expenses, \$ 250,000 per year for building repairs and replacement, and an amount equal to the capital budget for the next year. The Building Replacement and Major Repairs reserve is decreased by the amount of major repairs actually made and equipment purchased for the year. As of December 31, the cash needs are as follows:

	<u>2002</u>	<u>2001</u>
Projected Operating Expenses	\$ 2,549,937	\$ 2,402,281
Building Replacement and Major Repairs	1,286,187	1,133,505
Capital Budget	<u>175,000</u>	<u>175,000</u>
Cash Balance Desired	4,011,124	3,710,786
Unrestricted Cash & Investments	<u>2,110,103</u>	<u>2,831,356</u>
Balance	\$ <u><u>(1,901,021)</u></u>	\$ <u><u>(879,430)</u></u>